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U.S. snoops bypassed Prez on Billy's 200G

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Washington (News Bureau)—A supersecret United States intelligence organization intercepted word of Billy Carter's \$200,000 payoff from Libya last April and took the news straight to the Justice Department, bypassing the White House, Carter administration officials disclosed yesterday.

To this day, White House officials insisted, they do not know precisely what the intelligence report said. But the information was the clinching evidence that eventually persuaded Billy to register as an agent for Libya.

The normal flow of foreign intelligence reports is routed through the White House's National Security Council, headed by Zbigniew Brzezinski. But in the case of the \$200,000, which Billy described as an unsecured "loan," the report indicated a possible violation of the law. Federal procedures require that such information be reported directly to the Justice Department.

Accordingly, the report was transmitted directly to Attorney General Benjamin Civiletti. The Daily News was asked not to name the U.S. intelligence agency that intercepted the information or its director, who conveyed the information to Civiletti. To disclose the identity of the organization or name its head would harm U.S. intelligence-gathering ability, an official said.

THE TOTAL transaction amounted to \$220,000, including a \$20,000 payment in January, three months before the larger transaction, that was considered expense money for Billy's Libya trip.

Reports that Brzezinski had also seen the report of the \$200,000 payoff were firmly denied yesterday by his spokesman and by White House lawyers. Brzezinski acknowledged, in a statement Monday, seeing only one intelligence report about Billy, which disclosed Billy's role as a potential intermediary between Libya and the Charter Oil Co. of Jacksonville, Fla.

Brzezinski urged Billy to "do nothing that would be embarrassing." Billy turned him down, Brzezinski said, arguing that "he had a right to make a living." The relationship, in which Billy would have received a royalty payment for Libyan oil sold to Charter, would have made him a millionaire.

Although the first intelligence report was brought to Brzezinski's attention by Stansfield Turner, director of the Central Intelligence Agency, the second report was not, administration officials said.

The reason for the different handling of the two reports, one official said, is that federal law requires any official who obtains knowledge of possible criminal activity to report it to the Justice Department and to no one else.

The first report, about Billy's link to Charter Oil, did not appear to be a violation of the law. The second report clearly indicated that the law may have been broken, a White House official said.

AFTER CIVILETTI was informed of the \$200,000 payoff, he did not pass the word on to the White House or to Brzezinski, an official said. "The Justice Department wouldn't tell us the time of day," a White House official insisted.

The intelligence director also has explained his role, and the reason he went straight to Civiletti, to the Senate Intelligence Committee, a U.S. official said yesterday. "It would be up to the committee to release the information," a White House official said. "We still haven't seen it."

At his press conference Monday night, President Carter said he had not known of the \$200,000 payoff until July 15, the day newspapers reported that Billy had registered as a foreign agent for Libya and listed the money as partial payment.

Unlike most criminal cases, the Billy case was investigated by FBI counterintelligence agents, who through the years have maintained close ties with

other intelligence agencies that monitor the activities of foreign diplomats in the United States.

Ironically, the agency's operations are so sensitive that it is reluctant even to turn its information over to government prosecutors, on the ground that its sources and methods would be exposed in a public trial.

General reaction to the President's Monday night press conference and report on the Billy affair was favorable on Capitol Hill yesterday, but the lawmakers raised some questions which they said were not answered, despite the elaborate statements from the President and his top aides.

Rep. Robert McClory (R-Ill.), ranking Republican on the House Judiciary Committee and a veteran of the Nixon impeachment hearings of six years ago, said he found it inconceivable that the President was not told—and apparently did not ask—why the Justice Department wanted Billy to register as a foreign agent. He said he also wanted to know if anyone, in either the Justice Department or the intelligence community, ever informed the President of the big payoff to Billy, and if not, why not.

AMONG OTHER QUESTIONS raised, some likely to be explored by the special Senate subcommittee when it begins to question major witnesses on Aug. 18, after the Democratic National Convention, were:

- What did Billy do with the total of \$220,000 he received from the Libyans? The President insists he did not receive any of it but does not know where it went, referring questioners to Billy, who so far has been mum.

(It was reported yesterday in the Atlanta Journal that \$45,000 of the money was used to pay back federal taxes. Another \$25,000, the newspaper said, went to real estate developer Don Carter—no relation—to hold, while it

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